expenses. It has to placate, to use the unpleasant American word, various interests in order to get to work, or it has to lay out money, in building up a concern by advertising or otherwise. It is impossible that every penny which is put into it will go into actual buildings, plant, machinery, and stock-in-trade.

In America the system has been preferred by which the actual tangible assets of a new concern are financed wholly or largely by issues of bonds or Preferred stock, and the Common stock is given away to those interested in the promotion, for them either to hold or to use in order to secure the co-operation of those who may be useful, or modify the opposition of those who may be dangerous. The net result of it is that the Common stock is represented in fact by goodwill or the power to get to work. If the company prospers, then it is the business of those who hold these Common shares to see that assets are accumulated out of profits, to be held against their Common stock, so squeezing the water out of it and making it good. The system thus possesses this very considerable advantage, that those who promote a company are interested in its future welfare, and watch over it and guide it through its subsequent existence, putting energy and good management at its disposal in order that the paper which they hold may be represented, not by water,

but by real assets, and so may bring them a tangible reward. It has thus in some ways a great advantage over the English system, by which the company promoter is too often concerned merely in the